VZCZCXRO1557 OO RUEHBC RUEHDE RUEHKUK RUEHMOS DE RUEHNE #0553/01 0251329 ZNY CCCCC ZZH O 251329Z JAN 06 FM AMEMBASSY NEW DELHI TO RUEHC/SECSTATE WASHDC IMMEDIATE 8988 INFO RUCNIRA/IRAN COLLECTIVE RUEHBJ/AMEMBASSY BEIJING 9875 RUEHLM/AMEMBASSY COLOMBO 2985 RUEHKA/AMEMBASSY DHAKA 3003 RUEHIL/AMEMBASSY ISLAMABAD 5887 RUEHBUL/AMEMBASSY KABUL 2313 RUEHKT/AMEMBASSY KATHMANDU 3646 RUEHLO/AMEMBASSY LONDON 7976 RUEHMO/AMEMBASSY MOSCOW 6331 RUEHKO/AMEMBASSY TOKYO 2642 RUEHCI/AMCONSUL CALCUTTA 1104 RUEHCG/AMCONSUL CHENNAI 0805 RUEHDE/AMCONSUL DUBAI 0539 RUEHIT/AMCONSUL ISTANBUL 0111 RUEHKP/AMCONSUL KARACHI 1840 RUEHLH/AMCONSUL LAHORE 1989 RUEHBI/AMCONSUL MUMBAI 0058 RUEHPW/AMCONSUL PESHAWAR 2675 RUEHUNV/USMISSION UNVIE VIENNA 0447 RUCNDT/USMISSION USUN NEW YORK 8692 RHEHNSC/NSC WASHDC RUEIDN/DNI WASHINGTON DC RHHMUNA/CDR USPACOM HONOLULU HI RUEHGV/USMISSION GENEVA 0828 RHHJJPI/PACOM IDHS HONOLULU HI RHMFISS/HQ USSOCOM MACDILL AFB FL RHMFISS/HQ USCENTCOM MACDILL AFB FL RUEKJCS/SECDEF WASHDC RUEKJCS/JOINT STAFF WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 NEW DELHI 000553

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AFGHANISTAN ACCESS

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Classified By: PolCouns Geoff Pyatt for Reasons 1.4 (B, D)

11. (C) Summary: Joint Secretary (Pakistan, Afghanistan, Iran) Dilip Sinha told PolCouns and Poloffs on January 25 that India is worried about losing overland access to Afghanistan via Iran if its relations with Tehran sour further, but did not appear worried about the energy security impact of the deepening IAEA crisis. Sinha reported pressing the Iranian Deputy Foreign Minister on NPT compliance during a recent visit to Tehran, and acknowledged that Iran is making efforts to engage India bilaterally to show that it is not isolated from the international community. New Delhi maintains that it is better to remain engaged with Iran than to sever ties. As long as it continues, Pakistan's policy to deny India land access to Afghanistan increases Iran's relevance to New Delhi. End Summary.

More Visits in the Works

12. (C) After returning from Tehran on January 23 following a preparatory visit for the March 2006 India-Iran Joint Commission meeting (headed on the Indian side by Secretary (East) Rajiv Sikri), Sinha told us that Iran is "keen to showcase bilateral visits" with India to demonstrate that it

is fully engaged with the international community. At Tehran's suggestion, Sinha extended an invitation to the Iranian foreign minister to visit New Delhi. PolCouns observed that the Iran nuclear crisis was unlikely to be resolved by March, and warned that India would face increasing pressure not to conduct business as usual with Tehran.

Nuclear Issues

13. (C) Sinha's discussions with Iranian interlocutors generally avoided the nuclear issue except when the Deputy Foreign Minister raised the upcoming IAEA Board of Governors meeting. Sinha said that he gave India's standard line about expecting Iran to comply with its nonproliferation commitments, and urged Iran to make a concession to international concerns on its nuclear program, but the Iranian answer "did not give any solace."

Infrastructure in Iran and Afghanistan

¶4. (C) Sinha's agenda in Tehran was dominated by discussion of the Chabahar port and connecting railway to Afghanistan, he told us. While Indian companies are ready to undertake the construction, the Government of Iran hopes that India will arrange financing for the construction. Ultimately, Sinha predicted, Tehran will need to pay for the port, but India is still considering other options. The port an railroad are part of India's strategy for maintaining access to Afghanistan, Sinha said, adding that he secured Iranian commitment to provide asphalt, petroleum products, and cement for the Zaranj-Delaram road that India is constructing in

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Afghanistan (reftel). However, while India can find other energy suppliers, potential problems with Iran on the nuclear issue "threaten our Afghanistan goals and projects," Sinha warned, adding "the entire road project is dependent on access through Iran."

Indian View of Iranian Politics

15. (C) It is clear that a "tussle" is taking place in Iranian politics, Sinha observed, but it is too early to tell if Ahmadinejad will prevail, or if he will moderate his views and come to an accommodation with the old guard that opposes him. New Delhi is not sure if Ahmadinejad is trying to shore up domestic support or his international profile through his inflammatory statements, Sinha commented, but his inexperience and rhetoric are causing trouble for Tehran. Nevertheless, India believes that it is better to remain engaged with Iran than to cut ties because of the regime's poor behavior, Sinha argued, pointing out that the GOI uses the same rationale to justify the continued dialogue with Pakistan in spite of continued cross-border terrorism.

Comment: India Needs Iran Less?

- 16. (C) We find it encouraging that MEA officials are not as nervous as we had thought about the prospect of losing Iran as a reliable source of energy. The issue of land access to Afghanistan, however, poses a challenge to both Indian and USG interests in Afghan reconstruction that will remain unresolved unless Pakistan can be convinced to allow Indian transit.
- 17. (U) Visit New Delhi's Classified Website:
 (http://www.state.sgov.gov/p/sa/newdelhi/)
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